



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

December 9, 2008

Daniel Zeddy,
Chief Financial Officer
Anthony International
12391 Montero Avenue
Sylmar, CA 91342

Dear Mr. Zeddy:

RE: **FINAL MONITORING VISIT REPORT** for Anthony International - ET07-0181

Date of Visit	12/8/08
Beginning/Ending Time:	9:00 a.m. – 11:00 a.m.
Date of Last Visit:	8/14/08
Visit Location:	Sylmar
Persons in Attendance:	Griselda B. Padilla, Human Resources (HR) Manager/Recruiting, AI Sandra J. Zukowsky, Ernst & Young Marissa Tolentino, ETP Contract Analyst
Action Required	No

CONTRACT INFORMATION

Term of Agreement:	11/01/06 – 10/31/08	Agreement Amount:	\$401,868
Training Start Date:	11/6/06	No. to Retain:	366
Date Training must be Completed:	8/2/08	Range of Hours:	36 - 200
Type of Trainee:	Retrainee	Weighted Ave. Hours:	61

FINAL REPORT SUMMARY:

The Agreement was executed on March 14, 2007 and training began on November 6, 2006. Your staff reported that all training was completed on April 18, 2008, which allows for the 90-day retention period to be completed within the term ending date of the Agreement – October 31, 2008.

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SACRAMENTO, CA 95814
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S.F. BAY AREA REGIONAL OFFICE
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5333 Mission Center Road, Suite 300
SAN DIEGO, CA 92108
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www.etp.ca.gov
ETP (04/15/05)

According to your project staff, of the 366 trainees specified on Chart 1, Exhibit A of the Agreement, 43 trainees (12%) will complete training and the 90-day retention period. The Agreement is based on a variable reimbursement training plan. Anthony International is reimbursed for the exact number of training hours provided to each trainee completing between 36 to 200 hours of Class/Lab training. The ETP Class/Lab Tracking Report shows that you have delivered 2,250.25 class/lab training hours for 43 trainees who meet the minimum hours. Assuming all other Agreement requirements are met, Anthony International would earn approximately \$40,504.50 (10%) of the total ETP Agreement amount of \$401,868. Since you have been paid \$30,376.50 to date, you will receive an additional \$10,128 if the anticipated number to retain is verified during the final fiscal closeout.

As reported at the last Monitoring Visit, ETP training was slow due to several acquisitions made by Anthony International which began on 2007. The company hired more workers which kept HR busy with personnel issues. This has affected ETP training and administration. In addition, internal trainers who would have conducted ETP training was also busy training employees of new offices not included in this Agreement.

To date, the ETP Online System reports Ernst & Young as a participating vendor in this Agreement for administration services. Ms. Tolentino reminded you that no more than 13% of payment earned must be applied to the cost of administration. Although, the ETP Online System shows Ernst & Young's cost of administration services as \$52,243 payments based on potential earnings of \$401,868, administration costs should be adjusted based on the amount Anthony International has earned in this Agreement.

In spite of your low performance in this Agreement, Ms. Padilla indicated that through ETP training, you were able to upgrade the skills of the trainees and improve processes. The quality and quantity of your products improved and you were able to cut down on waste.

PROJECT STATUS PROVIDED BY THE CONTRACTOR

Trainees Started Training:	56	Completed Training:	43
Trainees Enrolled:	56	Completed Retention:	43
Dropped Following Enrollment:	13	In Retention Period:	0
No. Completed Minimum Reimbursable Hours :	43		

According to your project staff your statistics are in agreement with the information outlined on the ETP Contract Status Report.

ATTENDANCE ROSTERS:

During this visit, Ms. Tolentino reviewed attendance records of 14 Job 1 trainees billed on Invoices 3 and 4. The review of the Class/Lab Rosters revealed that the information currently required by ETP was properly documented on the sampling; the Agreement curriculum was provided as specified. the ratio of one trainer to 20 retrainees specified in the Agreement Training Plan was adhered to; and records validated the invoices for the completion of the required hours of training for enrollment and the Total Class/lab Training hours required in this Agreement

Your project staff were advised that the records reviewed were only a sampling of records; therefore, your staff should verify that all your records are in conformance with ETP requirements. for auditing purposes. [Reference: Title 22 California Code of Regulations, Section 4442(b)]

FINAL INVOICE:

Ms. Zukowsky stated that the Final Invoice was submitted on December 2, 2008.

AUDIT:

Anthony International will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Ms. Tolentino at (818) 755-1311 or by email at MTolentino@etp.ca.gov within ten (10) working days from the receipt of this letter.

Sincerely,

Signature on file

Dolores Kendrick, Manager
North Hollywood Regional Office

Signature on file

Marissa Tolentino, Contract Analyst
North Hollywood Regional Office

cc: Griselda Padilla, Anthony International (via e-mail)
Sandra Zukowsky, Ernst & Young (via e-mail)
David Guzman, Chief, Program Operations Division (via e-mail)
Kulbir Mayall, Manager, Fiscal and Certification (via e-mail)
Master File
Project File

Date report mailed to Contractor: 12/12/08